

CENTRAL LOUISIANA ECONOMIC DEVELOPMENT ALLIANCE, INC.

ALEXANDRIA, LOUISIANA

DECEMBER 31, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5-17-06

Central Louisiana Economic Development Alliance, Inc.

December 31, 2005

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PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

Independent Auditor's Report

Board of Directors
Central Louisiana Economic Development Alliance, Inc..

We have audited the accompanying statements of financial position of Central Louisiana Economic Development Alliance, Inc. (CLEDA) (a nonprofit corporation), Alexandria, Louisiana, as of December 31, 2005 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of CLEDA's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Central Louisiana Economic Development Alliance, Inc., as of December 31, 2005 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2006 on our consideration of CLEDA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Payne, Moore & Herrington, LLP

Certified Public Accountants

March 18, 2006

MARVIN A. JUREAU, C.P.A.

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MICHAEL A. JUREAU, C.P.A.

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Central Louisiana Economic Development Alliance, Inc.
Statement of Financial Position
December 31, 2005

Exhibit A

Assets

Current Assets

Cash and cash equivalents	\$ 30,463
Accounts receivable	84,583
Unconditional promises to give	<u>30,000</u>

Total Assets

\$ 145,046

Liabilities and Net Assets

Current Liabilities

Accounts payable	\$ 8,205
Due to affiliated organization	<u>84,583</u>
Total Current Liabilities	92,788

Net Assets

Unrestricted	<u>52,258</u>
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Total Liabilities and Net Assets

\$ 145,046

The accompanying notes are an integral part of the financial statements.

Central Louisiana Economic Development Alliance, Inc.
Statement of Activities
Year Ended December 31, 2005

Exhibit B

	<u>Unrestricted</u>
Revenues and Other Support	
State economic development grant	\$ 174,654
Contributions	60,411
Interest income	88
Miscellaneous revenues	45
Total Revenues and Other Support	<u>235,198</u>
Expenses	
Economic development activities	
Contracted services	66,367
Marketing expenses	110,991
Office and administration	5,501
Military affairs	
Materials and supplies	1,998
General and administrative	
Office and administration	4
Total Expenses	<u>184,861</u>
Change in Net Assets	50,337
Net Assets, Beginning of Year	<u>1,921</u>
Net Assets, End of Year	<u><u>\$ 52,258</u></u>

The accompanying notes are an integral part of the financial statements.

Central Louisiana Economic Development Alliance, Inc.
Statement of Cash Flows
Year Ended December 31, 2005

Exhibit C

Cash Flows from Operating Activities

Change in net assets	\$ 50,337
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Change in operating assets and liabilities	
Accounts receivable	(84,583)
Unconditional promises to give	(30,000)
Accounts payable	8,205
Due to affiliated organization	84,583
Net Cash Provided by Operating Activities	<u>28,542</u>

Cash Flows from Investing Activities

-

Cash Flows from Financing Activities

-

Increase in Cash and Cash Equivalents	<u>28,542</u>
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Cash and Cash Equivalents, Beginning of Year	<u>1,921</u>
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Cash and Cash Equivalents, End of Year	<u><u>\$ 30,463</u></u>
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Additional Required Disclosures (See Note 4)

The accompanying notes are an integral part of the financial statements.

Central Louisiana Economic Development Alliance, Inc.
December 31, 2005

Notes to Financial Statements

1. Nature of Activities and Significant Accounting Policies

Nature of Activities

The Central Louisiana Economic Development Alliance, Inc. (CLEDA), formerly The Central Louisiana Foundation, was incorporated in 1974 as a nonprofit corporation, on a non-stock basis, under the provisions of Louisiana Revised Statutes. In January 2005, the name was officially changed to the Central Louisiana Economic Development Alliance, Inc. CLEDA promotes economic growth and employment opportunities in the central Louisiana area. CLEDA receives funding from a state economic development grant and contributions from area businesses to conduct its activities.

Significant Accounting Policies

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting

CLEDA utilizes the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the CLEDA is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At year-end, CLEDA did not have any temporary or permanently restricted net assets.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as highly liquid investments with maturity dates of three months or less when acquired. At year-end cash and cash equivalents consisted of amounts in demand deposits. There were no highly liquid investments held at year-end.

Recognition of Donor Restricted Contributions

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**Central Louisiana Economic Development Alliance, Inc.
December 31, 2005**

Notes to Financial Statements

Bad Debts

Amounts due are recognized as bad debts as they are considered uncollectible. In the opinion of management, all receivables were collectible and an allowance for doubtful accounts was not considered necessary.

Income Taxes

CLEDA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under applicable Louisiana Revised Statutes. CLEDA is not a private foundation.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Accounts Receivable

Accounts receivable at year-end consists of amounts due from the State of Louisiana, Office of Economic Development under an economic development grant.

3. Unconditional Promises to Give

Due within one year or less	\$30,000
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The receivable due within one year or less consists of an unconditional pledge to CLEDA. Management considers the pledge to be fully collectable.

4. Additional Required Disclosures Relating to the Statement of Cash Flows

No interest or income taxes were paid in 2005. There were no material noncash financing or investing transactions during the year that affected recognized assets or liabilities.

5. Related Party Transactions

CLEDA is affiliated with the Central Louisiana Chamber of Commerce, Inc. In January 2005, a cooperative endeavor agreement was entered into between the Louisiana Department of Economic Development and the Central Louisiana Chamber of Commerce on behalf of Central Louisiana Economic Development Alliance, Inc. to provide a maximum of \$250,000 to conduct economic development activities for the Central Louisiana area. Under the terms of this agreement, during 2005,

Central Louisiana Economic Development Alliance, Inc.
December 31, 2005

Notes to Financial Statements

CLEDA reimbursed the Chamber for personnel costs and related benefits in the amount of \$66,367 (listed as contracted services in Exhibit B) related to the administration of this grant. At year-end, CLEDA owed the Chamber \$84,583 that was settled from grant proceeds received subsequent to year-end.

6. Concentration of Funding

CLEDA receives a significant part of its funding from a Louisiana Department of Economic Development grant.

7. Contingencies

CLEDA receives grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could result in a request for reimbursement for disallowed costs under the terms of the grant agreements. In the opinion of management, such disallowances, if any, would be insignificant.

**Other Reports Required by
Government Auditing Standards
and Louisiana Governmental Audit Guide**



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
Governmental Auditing Standards**

Board of Directors
Central Louisiana Economic Development Alliance, Inc.

We have audited the financial statements of Central Louisiana Economic Development Alliance, Inc. (CLEDA) (a nonprofit corporation) as of and for the year ended December 31, 2005, and have issued our report thereon dated March 18, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the CLEDA's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CLEDA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no material instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Board of Directors
Central Louisiana Economic Development Alliance, Inc.

This report is intended solely for the information and use of the Board of Directors and management of Central Louisiana Economic Development Alliance, Inc., the Legislative Auditor's office of the State of Louisiana, and the Louisiana Department of Economic Development. This report is not intended to be, and should not be, used by anyone other than these specified parties. However, under Louisiana Revised Statutes 24:513, this report is in fact a public document.

Payne, Moore & Herrington, LLP

Certified Public Accountants

March 18, 2006

Central Louisiana Economic Development Alliance, Inc.
Schedule of Findings and Questioned Costs
Year Ended December 31, 2005

Part I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

___ Yes X No

Reportable condition(s) identified not considered to be material weaknesses?

___ Yes X None reported

Noncompliance material to the financial statements noted?

___ Yes X No

Federal Awards

Not Applicable

Management's Summary Schedule of Prior Audit Findings

Management's Corrective Action Plan

Not Applicable

Other Comments and Recommendations

Not Applicable

Part II - Findings Related to the Financial Statements

None

Part III - Findings and Questioned Costs for Federal Awards

Not applicable